

For: State and County Offices

May 1999 Loan Interest Rates

Approved by: Acting Controller, CCC



1 Announcing Loan Interest Rate Change

A

Background

Under provisions of the Federal Agriculture Improvement and Reform Act of 1996, 1996 and subsequent crop year commodity loans will accrue interest at a rate 1 percentage point higher than the CCC borrowing interest rate.

CRP and loan deficiency overpayment refunds, where the interest rate is based on the CCC borrowing rate in effect on the day the overpayment was made, will continue to accrue interest at the CCC borrowing interest rate.

B

Purpose

This notice announces CCC's variable interest rates for May 1999.

C

Loans Applicable

These interest rates:

- apply to all regular commodity loans and selected program overpayments disbursed during May 1999 as specified in subparagraph D
 - are subject to adjustment each succeeding January 1.
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D

Interest Rates

The interest rate for May is:

- 4.750 percent per annum for CCC borrowing rate-based interest charges
 - 5.750 percent per annum for 1996 and subsequent crop year commodity loan borrowings.
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Disposal Date

August 1, 1999

Distribution

State Offices; State Offices relay to County Offices
